

**Title 20: EDUCATION**  
**Chapter 501: STATE SCHOOL FUNDS**

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**Maine Revised Statutes**  
**Title 20: EDUCATION**  
**Chapter 501: STATE SCHOOL FUNDS**

**§3451. PERMANENT SCHOOL FUND**

***(REPEALED)***

SECTION HISTORY

1973, c. 358, (AMD). 1981, c. 693, §§3,8 (RP).

**§3452. DEFINITIONS**

***(REPEALED)***

SECTION HISTORY

1967, c. 425, §14 (AMD). 1967, c. 425, §19 (AMD). 1969, c. 440, §§16-A (AMD). 1971, c. 1, §§5,6 (AMD). 1971, c. 530, §33 (AMD). 1971, c. 622, §66 (AMD). 1973, c. 571, §§49-A (AMD). 1973, c. 637, §§1,2 (AMD). 1973, c. 788, §80 (AMD). 1975, c. 510, §27 (AMD). 1977, c. 24, §11 (AMD). 1977, c. 78, §137 (AMD). 1977, c. 690, §§11-E (AMD). 1977, c. 694, §330 (AMD). 1981, c. 693, §§3,8 (RP).

**§3453. UNEXPENDED BALANCES**

***(REPEALED)***

SECTION HISTORY

1981, c. 693, §§3,8 (RP).

**§3453-A. MUNICIPAL SCHOOL BUDGET**

***(REPEALED)***

SECTION HISTORY

1975, c. 651, §1 (NEW). 1981, c. 693, §§3,8 (RP).

**§3454. APPORTIONMENT WHEN RETURN NOT FILED**

***(REPEALED)***

SECTION HISTORY

1965, c. 513, §35 (AMD). 1971, c. 530, §34 (AMD). 1973, c. 788, §81 (AMD). 1977, c. 78, §138 (AMD). 1977, c. 690, §§11-F (AMD). 1981, c. 693, §§3,8 (RP).

**§3455. APPORTIONMENTS**

***(REPEALED)***

SECTION HISTORY

P&SL 1967, c. 191, §C2 (AMD). 1967, c. 544, §§49,50 (AMD). 1969, c. 65, (AMD). 1969, c. 308, §2 (AMD). 1971, c. 610, §21 (AMD). 1973, c. 571, §§50,51 (AMD). 1973, c. 571, §71 (AMD). 1981, c. 693, §§3,8 (RP).

**§3456. REORGANIZED DISTRICTS****(REPEALED)**

## SECTION HISTORY

1965, c. 37, (AMD). 1965, c. 513, §33 (AMD). 1967, c. 425, §15 (AMD). 1969, c. 589, §9 (AMD). 1971, c. 530, §35 (AMD). 1973, c. 556, §14 (RPR). 1979, c. 431, §6 (RP).

**§3457. STATE AID FOR SCHOOL CONSTRUCTION**

This section shall apply only to school construction projects approved by the State Board of Education prior to July 1, 1977. [1977, c. 563, §3 (NEW).]

To provide further incentive for the establishment of larger School Administrative Districts, the commissioner shall allocate state financial assistance to School Administrative Districts on school construction approved subsequent to the formation of such districts, and on school debts, and Maine School Building Authority leases assumed by the district. The state obligation on assumed debts and Maine School Building Authority leases shall not extend beyond 25 years from the original date of the unit's obligation and shall not apply to school construction projects approved by the commissioner prior to August 28, 1957. No financial assistance shall be paid until the school construction has been completed and a full report of the cost of said construction and other expenses for major capital outlay purposes is made to the commissioner. The report shall be in such form as the commissioner shall determine and shall include, but not be limited to, the following: The amount of money contributed by the district, the amount of money borrowed for major capital outlay purposes, the time within which said borrowed funds are to be repaid and the total amount to be repaid and the amount to be repaid each year, the amount of interest to be paid each year and the rate of interest, the amount of rental due the Maine School Building Authority under lease agreement between the Maine School Building Authority and the district. On the basis of all the reports on file in the office of the commissioner each year, the commissioner shall determine the total amount to be paid to all of the School Administrative Districts and other eligible administrative units, for major capital outlay purposes, and shall apportion out of moneys appropriated for this purpose, when payments are due, to the School Administrative Districts and other eligible administrative units, the same percentage of each administrative unit's expenditures for major capital outlay purposes including principal and interest payments and any rental payments under lease agreements between the administrative units and the Maine School Building Authority as each administrative unit would be entitled to receive based on Table II of this section. In addition, if the district has contributed money to defray all or part of the cost of major capital outlay construction, the commissioner shall determine the amount payable to the district for this expenditure; but the commissioner shall have the discretion to pay the entire amount due in one year or he may determine that payment shall be made over a period not to exceed 5 years. The commissioner, after making a determination as to the payment period, may change the payment period to a shorter period than his original determination, but shall not have the power to extend the payment period after his original determination. [1975, c. 272, §2 (AMD).]

Said apportionment shall apply similarly to payments made for major capital outlay purposes on school construction, approved by the commissioner after August 28, 1957, in administrative units where the April 1st enrollment of resident and tuition pupils in grades 9 through 12 for that year is over 500 pupils, and in all community school districts approved by the State Board of Education which incur debt after April 1, 1965; and in other smaller administrative units when in the judgment of the Legislature, on recommendation of the board, the formation of a School Administrative District by consolidation is not geographically or educationally practical. Any administrative unit qualifying for school construction aid under this section which receives tuition students from surrounding municipalities must render at least 2 years' notice to the sending municipalities before discontinuing such acceptance. Whenever a unit gives a 2-year notice to other units that it will discontinue the acceptance of tuition students, the unit shall file a copy of the notice with the commissioner. If the school committee of a unit refuses to accept tuition students without having given a proper 2-year notice, the commissioner is authorized to withhold school construction aid until the unit complies with the statute up to a maximum of 2 years' construction aid for that unit. Any administrative unit not previously eligible for school construction aid for major capital outlay purposes under this paragraph shall

now be eligible for aid for any project authorized by the unit, if school building plans and specifications were approved by the commissioner after July 1, 1969. Construction aid reimbursements on these projects shall be limited to payments made after January 1, 1972. [1975, c. 272, §§ 3, 4 (AMD).]

The percentage of aid to a community school district qualifying under this section shall be determined by dividing the total state valuation of the member towns of the district by the total average resident pupils of the last 2 enrollment reports as reported on April 1st annually by the member towns of the district. The average per pupil valuation thus determined shall be applied to Table II of this section to determine the percentage of construction aid. [1965, c. 475, §2 (NEW).]

### **1. Approval prior to July 1, 1967.**

[ 1965, c. 475, §2 (NEW); 1967, c. 224, §7 (RP) .]

### **2. Approval by commissioner.**

[ 1965, c. 475, §2 (NEW); 1967, c. 224, §7 (RP) .]

### **3. Reimbursement.**

[ 1965, c. 475, §2 (NEW); 1967, c. 224, §7 (RP) .]

The term "community school district" as used in this section shall include any type of school district consisting of more than one administrative unit operating a secondary school except a School Administrative District. [1965, c. 475, §2 (NEW).]

When a municipality having more than 100 resident pupils educated at public expense in grades 9 through 12 has contracted with a School Administrative District to educate all of the pupils in said district in grades 9 through 12, for a period of from 5 to 20 years, said municipality shall, during the life of said contract, be paid out of moneys appropriated and apportioned for the purposes of this section, the percentage of said municipality's expenditures for major capital outlay purposes as it would be entitled to receive in that year based on Table II of this section. [1975, c. 272, §5 (AMD).]

On the basis of information available in the office of the commissioner as provided in returns of educational statistics required by him, the commissioner shall apportion construction subsidies to the school administrative units of the State according to the following plan: [1969, c. 589, §11 (AMD).]

The per pupil valuation of each municipality shall be determined by dividing the latest state valuation by the average number of resident pupils in the latest calendar year. The commissioner shall establish the applicable percentage for each eligible unit from the formula in Table II on January 1st of the year in which the Legislature convenes in regular session. The percentage thus determined shall be applicable for the next 2 fiscal years of the State, July 1st to June 30th. [1977, c. 78, §140 (RPR).]

For each eligible unit the construction subsidy allocation thereafter shall be the applicable percentage of the construction costs as defined in this section obtained from Table II below. Before computing the eligible expenditure of any administrative unit for construction aid, the commissioner shall cause to be deducted all moneys expended on the project which were received from federal sources, except moneys from federal revenue sharing sources. [1973, c. 571, §52 (AMD).]

#### **TABLE II**

Each administrative unit shall be reimbursed the sums expended for major capital outlay projects which have been approved in accordance with sections 3457 to 3460, or any projects which have been approved by the commissioner. The unit shall be reimbursed the amount of debt service which has been incurred on all approved school construction projects. Construction reimbursements shall be scheduled so that payments may be made in accordance with the payment schedules established by the administrative units.

[1977, c. 625, §5 (AMD).]

Any unit shall, before becoming eligible for school construction aid, obtain approval from the State Board of Education of the site upon which the school construction project is to be located. Failure to obtain such approval of site will make the unit ineligible for school construction aid. In addition, the board shall require that all projects approved for state aid under this section shall show evidence of the need for such facilities based on obsolescence or inadequacy of present buildings, assurance that existing facilities are receiving maximum use, enrollment projection for at least a 5-year period, financial ability of the unit, utilization studies and other information, including, but not limited to, estimates of operating costs and effectiveness of educational programs related to proposed construction. In addition, projects approved for state aid shall show evidence that spaces within proposed structures shall be assigned a specific educational purpose, or are supportive of the educational program. [1969, c. 391, (NEW).]

Any unit which signs a contract for construction and begins construction before the building plans have been finally approved by the State Board of Education shall become ineligible for school construction aid on that particular project. [1967, c. 488, §1 (NEW).]

Notwithstanding any other provision of this section, the construction aid to School Administrative Districts shall be determined as follows: The total cost of the construction project shall be distributed among the member municipalities of the district in the same ratio as the average number of resident pupils of the member municipalities bears to the total average number of resident pupils in the School Administrative District. Each member municipality shall have its portion of the total construction cost subsidized based upon the percentage table in TABLE II using that member municipality's state valuation per resident pupil as the basis for determining the percentage of aid. The aid thus computed for the member municipalities shall be added together and shall be paid to the School Administrative District. [1967, c. 488, §1 (NEW).]

Notwithstanding any other provision of section 3457, for the year beginning January 1972 through the remainder of the 1971-73 biennium the commissioner is authorized to recompute on January 1, 1972, the construction aid percentages for all units in accordance with the statutes in existence at that time. [1971, c. 530, §36-A (NEW).]

Any administrative unit which has received, or is receiving, state construction aid for major capital outlay purposes shall carry fire insurance and allied coverage upon the completed project in an amount not less than the cost or reconstruction cost of the project. The policy may include as an insured the State of Maine, as its interest may appear. In the event of damage to or destruction of a building, the administrative unit shall first utilize the insurance proceeds to repair or rebuild the building. The State shall pay no subsidy on the insurance proceeds utilized for such repairs or rebuilding. [1975, c. 272, §8 (AMD).]

Units may borrow in anticipation of state aid on buildings approved by the State Board prior to July 1, 1976. Such temporary borrowing shall not affect the legal debt limits and shall be limited to the period preceding the sale of any bonds or notes. [1975, c. 746, §21 (NEW).]

#### SECTION HISTORY

1965, c. 475, §2 (NEW). 1967, c. 224, §§4-9 (AMD). 1967, c. 365, (AMD). 1967, c. 425, §§15-A (AMD). 1967, c. 488, §§1,3 (AMD). 1969, c. 391, (AMD). 1969, c. 589, §§10,11 (AMD). 1971, c. 500, §§1-3 (AMD). 1971, c. 530, §§35A,36,36A (AMD). 1971, c. 610, §21 (AMD). 1971, c. 611, §12 (AMD). 1973, c. 556, §15 (AMD). 1973, c. 571, §§52,52A,52B (AMD). 1973, c. 571, §71 (AMD). 1973, c. 783, §§26,27 (AMD). 1975, c. 272, §§2-8 (AMD). 1975, c. 746, §21 (AMD). 1977, c. 78, §§139,140 (AMD). 1977, c. 563, §3 (AMD). 1977, c. 625, §5 (AMD).

### **§3458. APPROVAL OF PROJECTS FOR SCHOOL CONSTRUCTION AID**

This section shall apply only to school construction projects approved by the State Board of Education prior to July 1, 1977. [1977, c. 563, §4 (NEW).]

Any eligible administrative unit qualifying for school construction aid under section 3457 which, after April 27, 1967, has authorized a school construction project and the financing thereof may apply to the State Board of Education for such aid. Such application shall be accompanied by an attested copy of the vote or resolution authorizing such project and financing and by such additional information, drawings, preliminary plans and estimates of cost as the state board may require. Such drawings, plans and specifications shall bear the approval of the Bureau of Public Improvements. [1973, c. 625, §104 (AMD).]

Forthwith upon receipt of such application, the board shall examine the application and any other information required by it relative thereto and shall approve or disapprove the proposed project for such state aid. Before approving the project of any administrative unit for school construction aid, the board shall make the following findings: [1973, c. 571, §71 (AMD).]

**1. Eligibility.** That the administrative unit and the proposed project are eligible for school construction aid under section 3457;

[ 1967, c. 224, §10 (NEW) .]

**2. Interest.** That the proposed project and the authorized method of financing it are in the best interest of the State and the administrative unit;

[ 1971, c. 530, §36-B (AMD) .]

**3. Estimated cost.** The total estimated major capital outlay expenditures of the proposed project as approved by the board;

[ 1975, c. 272, §9 (AMD) .]

**4. Percentage of state aid.** The percentage of the total major capital outlay expenditures that the administrative unit was qualified to receive in school construction aid for the proposed project at the time when the proposed project and its financing were authorized, as computed in Table II of section 3457 and Title 20-A, section 8351.

[ 2011, c. 2, §16 (COR) .]

**5. Area needs.** Each construction project approved in single-town administrative units shall be approved or disapproved for construction aid by the board on the basis of whether or not the construction project is consistent with the total school construction needs of the area where the unit is located.

[ 1971, c. 610, §21 (AMD) .]

If the board approves the proposed project for school construction aid, it shall issue a certificate of approval, which certificate shall set forth the findings required by this section and otherwise shall be in such form as the board shall determine. No state aid shall be paid to any administrative unit on any project to which this section is applicable until such certificate of approval shall have been issued by the board. [1973, c. 571, §71 (AMD).]

Nothing in this section shall affect any state aid payable with respect to school construction projects authorized prior to April 27, 1967. [1973, c. 625, §105 (AMD).]

#### SECTION HISTORY

1967, c. 224, §10 (NEW). 1969, c. 589, §§11-A (AMD). 1971, c. 500, §4 (AMD). 1971, c. 530, §§36-B (AMD). 1971, c. 542, §6 (AMD). 1971, c. 610, §21 (AMD). 1973, c. 571, §71 (AMD). 1973, c. 625, §§104,105 (AMD). 1975, c. 272, §9 (AMD). 1977, c. 563, §4 (AMD). RR 2011, c. 2, §16 (COR).

### §3459. LIMITATION

This section shall apply only to school construction projects approved by the State Board of Education prior to July 1, 1977. [1977, c. 563, §5 (NEW).]

Notwithstanding any inconsistent provisions of sections 225, 304, 2356-B, 3457 and 3458, the school directors of any School Administrative District which, between May 11, 1966 and April 27, 1967, has authorized its school directors to borrow funds in anticipation of state aid for school construction under section 225 as then in effect, may borrow such funds pursuant to section 304 as heretofore in effect and may issue temporary notes and renewal notes therefor, which temporary notes and renewal notes shall be legal obligations of said district and may be issued notwithstanding any debt limitation of the district, but shall thereafter be considered in computing the borrowing capacity of the district except with respect to bonds or notes issued to finance the same school project or projects. [1973, c. 625, §106 (AMD).]

On any eligible project heretofore or hereafter approved by the Commissioner of Education, a School Administrative District to which this section is applicable shall be reimbursed the eligible amount of its major capital outlay expenditure upon filing the necessary reports with the commissioner and submitting proof that the project has been completed in accordance with approved plans, provided that the amount of such reimbursement shall not be less than the percentage of the actual major capital outlay expenditure for the project applicable to the district at the time the voters of the district authorized the school directors to borrow in anticipation of state aid for school construction. [1989, c. 700, Pt. A, §42 (AMD).]

Not later than 90 days following the filing of a full report of capital expenditures of said project with the commissioner and the submission of proof showing that the project has been completed in accordance with approved plans, the commissioner shall notify the school directors if funds are not then available from which to pay all or any specified portion of the total amount of state aid to which the district is entitled for the project. Upon receipt of such notification, the school directors may issue bonds or notes of the district pursuant to this section in order to fund temporary notes or renewal notes issued in anticipation of such state aid or as otherwise may be required to complete the financing of the project not exceeding the total amount of such state aid to which the district is entitled for the project as certified by the commissioner, less the amount of such state aid paid or certified to be available for payment to the district. Any such bonds or notes shall be issued not earlier than simultaneously with the issuance of bonds or notes of the same district required to complete the permanent financing of the same school project or projects. The first installment of such bonds or notes shall be payable not later than 2 years after the date of issue and the last installment shall be payable not later than 25 years from such date, provided, that the maturity schedule for such bonds or notes shall first be approved by the Commissioner of Education. Said bonds or notes shall be legal obligations of the district and may be issued notwithstanding any debt limitation otherwise applicable to the district, but shall thereafter be considered in computing the borrowing capacity of the district. Except as otherwise provided, said bonds or notes shall be issued in accordance with the applicable provisions of section 304. If bonds or notes of the district are issued pursuant to this paragraph, the district shall be reimbursed in each year during which such bonds or notes are outstanding, out of moneys appropriated for this purpose, an amount equal to its annual payments of principal and interest on such bonds or notes, which amounts shall be the only state aid for school construction purposes paid or to be paid to the district for said school project or projects, except for any sums which may be paid or payable pursuant to the last 2 sentences of the first paragraph of section 3457 on account of sums contributed by the district for the project or projects, and except for sums paid to the district or certified by the commissioner to be available for payment under this section. [1989, c. 700, Pt. A, §43 (AMD).]

If a district to which this section is applicable shall have issued temporary notes or renewal notes in anticipation of state aid to an amount in excess of the amount of state aid to which the district is entitled for its project, any unexpended balance of the proceeds of such temporary notes or renewal notes shall be used for the repayment thereof and the outstanding balance, if any, of such temporary notes or renewal notes shall be repaid from sums which shall be included in the next annual budget of the district and shall not be subject to change at the district budget meeting. [1967, c. 224, §11 (NEW).]



The commissioner shall pay from funds appropriated for that purpose the principal and interest on bonds or notes that were sold to fund state aid for projects authorized by local units between May 11, 1966 and April 27, 1967. Payments shall be made each month as needed to retire the principal and interest on bonds or notes sold to fund state aid. Any interest paid by a School Administrative District or a municipality, when borrowing in anticipation of state aid on projects authorized between May 11, 1966 and April 27, 1967, shall be reimbursed by the State upon application to the commissioner. [1969, c. 589, §12 (AMD).]

This section shall apply to any School Administrative District which, between May 11, 1966 and April 27, 1967, voted to authorize its school directors to issue bonds or notes in the names of such district for major capital outlay purposes but did not authorize the borrowing of funds in anticipation of state aid for school construction for such purposes, but only if such district has not, as of July 2, 1969 pursuant to which this paragraph is enacted, issued its bonds or notes for the permanent financing of the project or projects for which such bonds or notes were authorized. Any School Administrative District, to which this paragraph would otherwise be applicable which, prior to the aforesaid date, has issued its bonds or notes for the permanent financing of such project or projects, shall be paid state aid for school construction on account of such project or projects pursuant to section 3457 at the percentage applicable to the district at the time the voters authorized the school directors to issue bonds or notes therefor. [1973, c. 625, §107 (AMD).]

#### SECTION HISTORY

1967, c. 224, §11 (NEW). 1967, c. 514, §3 (AMD). 1967, c. 540, §§11,12 (AMD). 1969, c. 497, §§1,2 (AMD). 1969, c. 589, §§12,12-A (AMD). 1971, c. 610, §22 (AMD). 1973, c. 625, §§106,107 (AMD). 1975, c. 272, §§10,11 (AMD). 1977, c. 563, §5 (AMD). 1989, c. 700, §§A42,43 (AMD).

### **§3460. ALTERNATE METHOD OF PAYMENT OF SCHOOL CONSTRUCTION AID**

This section shall apply only to school construction projects approved by the State Board of Education prior to July 1, 1977. [1977, c. 563, §6 (NEW).]

The State Board of Education may authorize the following method of paying school construction aid but shall authorize such method only when funds then have been appropriated in an amount sufficient to meet the total estimated amount of state aid payable on account of the capital project for which such state aid is approved and, if the said board authorizes the alternate method, the certificate of approval of the project issued pursuant to section 3458 shall so state. In the absence of such statement on a certificate, state aid on the project shall be deemed as not authorized under the alternate method. [1973, c. 571, §71 (NEW).]

Advance payments on projects for which the State Board of Education authorized the alternate method of payment under section 3460, as then in effect, are ratified and the local administrative units which have received such payments shall invest that portion of the proceeds of such advances which is not required for immediate disbursement for project expenditures. An amount equal to any interest earned on such investment of the proceeds of an advance payment shall be deducted from any balance of construction aid payable to the unit on the project. [1973, c. 571, §71 (NEW).]

On eligible projects for which the State Board of Education has authorized the alternate method and on which the local administrative unit, subsequent to February 4, 1972, submits evidence that the appropriate local officials have contracted or arranged for the construction of the approved facility or facilities, the financial assistance due the eligible unit shall be paid according to the following schedule.

An amount equal to 10% of the estimated state aid shall be paid immediately upon the submission of evidence that a contract for the construction of the project has been executed.

The eligible unit shall submit to the Commissioner of Education a schedule showing estimates of monthly cash disbursements to be made by the unit for project expenditures. Based upon the estimate of cash requirements, the commissioner, on or about the first of each month, shall pay an amount equal to the state's

participation in the estimated project expenditures for that month, which monthly payments shall be continued until the total of all assistance paid equals 95% of the estimated state aid on the project. [1989, c. 700, Pt. A, §44 (AMD).]

Upon completion of the project and the submission to the commissioner of a full report of the major capital outlay expenditures on the project, together with proof that the project was completed in accordance with plans approved by the commissioner and the Bureau of Public Improvements, and upon issuance by the Bureau of Public Improvements of its certificate of acceptance of the completed project, the eligible unit shall be paid the difference between the total amount of aid finally determined to be due under the project and the accumulated amount of all prior payments.

Notwithstanding the provisions of section 3460 in effect at the time, eligible units, which have received an advance payment equal to 1/2 the estimated state aid, shall report to the commissioner at what date the proceeds of the advance payment shall be estimated to have been fully expended and also shall submit a schedule showing estimated monthly cash disbursements for project costs for the period following the date on which the advance payment shall have been fully expended. Based upon the estimate, the commissioner shall make monthly payments thereafter, and the final payment in accordance with the procedure prescribed above for projects on which evidence of contract execution was submitted after February 4, 1972. [1975, c. 272, §12 (AMD).]

The State Board of Education by regulation may prescribe the minimum total state aid on a project which will be subject to monthly payment. On projects in which the estimated state aid is less than such minimum amount, the board may specify that all state assistance shall be paid only upon the completion of the projects and the filing of reports as provided. In such case, the certificate issued by the board pursuant to section 3458 shall so state. [1973, c. 571, §71 (NEW).]

Financing costs incurred by the local administrative unit on any project for which the alternate method has been authorized shall not be included as part of the major capital outlay expenditures of the project; provided that any interest paid by a local administrative unit in borrowing on temporary loans in anticipation of state aid shall be reimbursed by the State upon application of the unit to the commissioner following the receipt of final payment of state assistance on the project, which application shall include evidence that all indebtedness incurred by the local unit in borrowing in anticipation of state aid has been liquidated through payment by the unit. [1975, c. 272, §12 (AMD).]

In accordance with the provision of law that the alternate method may not be authorized by the State Board of Education unless funds then have been appropriated in an amount sufficient to meet the total estimated amount of state aid estimated to be payable on the project, no local unit, without resubmission of the project application to the board, may increase by more than 10% the estimated project costs as submitted to the State Board of Education in the original application for approval of the project. In the absence of such resubmittal and the supplemental approval of the additional project costs, the State shall not be liable for construction aid on that part of the project cost which exceeds by more than 10% the original approved project cost. [1973, c. 571, §12 (NEW).]

It is the intent of the Legislature that such advance payments by the State on school construction aid, as heretofore have been made under section 3460 as then in effect, shall have been, and shall continue to be, expended by the local unit for necessary project costs concurrently with the funds of the local unit in the respective ratios of participation of the State and local unit in project costs, and that the advancement by the State of 1/2 the estimated state aid shall not be used to defer the date on which the local unit shall contribute or disburse its portion of the project funds. In the determination of the final payment of state aid to which the local unit is entitled under the alternate method, the commissioner is directed to insure that funds of the local unit have been made available and used concurrently with funds advanced by the State and shall make appropriate adjustments in the determination of the balance of state aid whenever he finds that the local unit has used funds advanced by the State to defer the provision of local financing of the project costs, has failed to invest amounts advanced by the State which are in excess of the immediate need for the State's portion of project expenditures, or in any way has used the funds advanced for purposes other than meeting the State's proportion of project costs as they became payable.

Whenever a project submitted by a local municipality has been approved by the State Board of Education for assistance and the municipality for which the project was approved, subsequently, but prior to the completion of the project, becomes a member of a School Administrative District, any balance of funds advanced to the municipality under section 3460 as then in effect shall be transferred to the School Administrative District together with interest which has been earned by the municipality in the investment of funds advanced by the State and any temporary investments of excess advanced fund then held by the municipality. The balance of state aid payable on the project shall be paid directly to the School Administrative District. Indebtedness incurred by the municipality in anticipation of the balance of state construction aid shall be assumed by the School Administrative District, which shall become responsible for the final report of project costs and for any application for reimbursement of interest costs incurred in anticipation of state aid throughout the course of construction of the project. The School Administrative District shall reimburse the municipality for any expenditures made by the municipality on loans in anticipation of state aid prior to the date of organization of the district and the municipality thereupon shall have no further claim on the State for reimbursement of such interest charges. [1973, c. 571, §71 (AMD).]

The State Board of Education is authorized to approve construction of certain school buildings, without obligating the State to pay a share of the costs of such buildings, whenever in the judgment of the board certain portions are to be constructed to fulfill a community service need. The board may approve the construction of facilities when gifts have been received by administrative units without obligating the State to pay a share of the costs of such facilities. [1973, c. 783, §28 (NEW).]

Any unit which votes to issue bonds or notes for a school construction project prior to July 1, 1974, shall receive its percentage of school construction aid during the period of construction based upon the percentage of aid that was in effect prior to January 1, 1974. Such aid shall continue until the project is completed in accordance with the established schedule of payments. The unit's share of the cost of the project which is financed by the sale of notes or bonds will be reimbursed to the unit as the notes or bonds and interest become due. [1973, c. 783, §28 (NEW).]

#### SECTION HISTORY

1969, c. 373, §2 (NEW). 1969, c. 511, §3 (AMD). 1971, c. 530, §37 (AMD). 1971, c. 542, §7 (AMD). 1971, c. 552, (RPR). 1971, c. 610, §21 (AMD). 1973, c. 571, §71 (AMD). 1973, c. 625, §§108,109 (AMD). 1973, c. 783, §28 (AMD). 1975, c. 272, §12 (AMD). 1977, c. 563, §6 (AMD). 1989, c. 700, §A44 (AMD).

### **§3461. STATE SUBSIDIES WITHHELD**

**(REPEALED)**

#### SECTION HISTORY

1973, c. 154, §4 (NEW). 1975, c. 272, §13 (AMD). 1975, c. 510, §28 (RP).

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